

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Establishment of 4 wheeler manufacturing facility by M/s. MLR Motors Private Limited – Allotment of land and extension of certain benefits/concessions to the company to establish the 4 wheeler manufacturing facility – extension of time limit to achieve Financial Closure upto 31.10.09 - Orders – Issued.

---

INDUSTRIES AND COMMERCE (INF) DEPARTMENT

G.O.Rt.No. 787

Dated:22-10-2008.  
Read the following:

1. G.O.Ms.No.91, Ind. & Com. (INF) Dept. dated:24.04.2007.
2. From the M.D., M/s. MLR Motors Limited, Letter, dated: 21.9.08.

\*\*\*\*\*

**ORDER:**

The Government, in the G.O. 1<sup>st</sup> read above have issued orders allotting 225 acres Government land identified at Muppireddipalli and Kallakal villages, Toopran Mandal, Medak District and extended certain benefits/concessions in favour of M/s. MLR Motors Pvt. Limited for setting up of a 4 wheeler manufacturing facility subject to fulfilling the conditions stipulated therein. According to the condition stipulated in para 6 of the order, the MLR Motors Pvt. Ltd., has to achieve financial closure within one year, apart from fulfilling the other conditions.

2. The Managing Director, M/s. MLR Motors Pvt. Ltd., in his representation 2<sup>nd</sup> cited has informed Government that the Company has entrusted the responsibility for preparing the Techno Economic Viability Report for the project to M/s Price Waterhouse Coopers. The Price Waterhouse Coopers has conducted an extensive market survey to study the impact of various factors over the Techno Economic Viability of the Car Project in view of the unprecedented increase in crude oil prices during the last one and half year, thus the Techno Economic Viability report has taken more than six months period. Techno Economic Viability Report was handedover to the company at the end of July, 2008. The Managing Director, has also stated that the financing banks from whom the company is obtaining loans to set up the project are requisitioning the assistance of specialists to evaluate their loan proposals. The strategic investors, who have earlier proposed to invest in the Car factory are holding back their proposals and waiting for the banking system in the U.S. to improve, so as to finance the project.

3. The Managing Director, of the company has further stated that a Greenfield project of the size and magnitude requires 24 to 30 months to achieve financial closure under ideal conditions and in view of the same and the above circumstances the Managing Director, M/s MLR Motors Limited has requested Government to extend the time for financial closure upto end of October, 2009 so that the banks and the strategic investors would be comfortable to take up the request of the company for final / regular sanction of Term loans / Private equity and MLR Motors achieves the financial closure.

4. The Government, after careful consideration of the matter and the request of the Managing Director of M/s. MLR Motors Pvt. Limited, hereby

Contd....2

agrees to extend the time limit upto 31.10.2009 in favour of M/s. MLR Motors Pvt. Ltd., to achieve the Financial Closure. The other conditions stipulated in the G.O. 1<sup>st</sup> read above shall remain unchanged.

The Managing Director, M/s. MLR Motors Pvt. Ltd., is requested to take immediate action to fulfill the other conditions and the other steps required in order to establish the 4 wheeler manufacturing facility at the earliest.

The Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited is requested to take action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION

To  
The Chairman & Managing Director,  
A.P. Industrial Infrastructure Corporation Limited, Hyderabad.  
The Managing Director, M/s. MLR Motors Pvt. Ltd.,  
Plot No. 41/1A, I.D.A., Balanagar, Hyderabad – 500 037.  
The Commissioner of Industries, Hyderabad.  
Copy to:  
P.S. to M (MI).  
P.S. to Prl.Secy. & CIP, Ind & Com., Dept.  
P.S. to Spl.Secy. to Govt., Ind & Com. Dept.  
SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER